

**GOVERNMENT OF INDIA
COMMUNICATIONS
LOK SABHA**

UNSTARRED QUESTION NO:6375
ANSWERED ON:08.05.2000
FOREIGN EQUITY IN TELECOM SECTOR
MOINUL HASSAN AHAMED

Will the Minister of COMMUNICATIONS be pleased to state:

- (a) whether the Government have decided to allow cent per cent foreign equity in the telecom sector;
- (b) if so, whether the DOT has raised objection to such a decision;
- (c) if so, the details thereof;
- (d) whether the Government have not agreed with the views; and
- (e) if so, the reasons therefor?

Answer

MINISTER OF STATE FOR COMMUNICATIONS

(SHRI TAPAN SIKDAR)

(a) With the economic liberalization in 1991, Foreign Direct Investment (FDI)/Non Resident Indian (NRI)/Overseas Corporate Bod (OCB) equity in telecom manufacturing sector was permitted upto 51% on automatic basis through Reserve Bank of India (RBI) and higher amount of Foreign Direct Investment (FDI) was considered on case to case basis by Foreign Investment Promotion Board (FIPB). This limit of 51% on automatic basis has been raised to 100% in Feb`2000 for the telecom manufacturing sector.In case of telecom services like Basic, Cellular Mobile, Paging, Value Added Service and Global Mobile Personal Communications by satellite, FDI/NRI/OCB equity is limited to 49%

(b) No, Sir.

(c) to (e): Does not arise in view of (b) above.